

## RULE

Department of Health and Hospitals  
Office of the Secretary  
Bureau of Health Services Financing

### Hospital Program–Median



The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing hereby adopts the following rule as authorized by R.S. 46:153 and pursuant to Title XIX of the Social Security Act and as directed by the 1995-96 General Appropriation Act, which states: "The secretary shall implement reductions in the Medicaid program and as necessary to control expenditures to the level approved in this schedule. The secretary is hereby directed to utilize various cost containment measures to accomplish these reductions, including but not limited to pre-certification, pre-admission screening, utilization review, and other measures as allowed by federal law." This rule is in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

#### **Rule**

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing will no longer reimburse acute hospitals for inpatient services above the peer group weighted median per diem rate for inpatient acute hospital services. The department will establish a weighted average per diem rate based on estimated payments under a capped weighted median per diem rate and will reimburse no inpatient acute hospital above the weighted average per diem rate. Medicaid per diem rates for inpatient acute hospitals with per diem rates above the peer group weighted average per diem rate will be reimbursed at the peer group weighted average per diem rate. Specialty hospitals will be reimbursed at the lowest blended per diem rate for each specialty hospital category. For the purpose of this proposed rule, specialty hospitals are designated as long term hospitals, rehabilitation hospitals and Children's Hospital in New Orleans.

Bobby P. Jindal  
Secretary

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